

18-837-2 ADDA H
80/ADDA/MF

18 February 1981

DD/A REGISTRY

FILE: Meetings

MEMORANDUM FOR: Deputy Director for Administration

25X1 FROM: [redacted]

Chief, Management Staff/DDA

SUBJECT: Items for Discussion with DDCI on 19 February 1981

1. I believe you could usefully discuss the following subjects with Admiral Inman tomorrow morning. I would caution you to keep the discussion in general terms because a discussion of each can become quite complex if you let it.

- Communications recapitalization
- Agency Information Systems Architect
- New building on the Headquarters compound
- Systematic declassification review provisions of E.O. 12065
- CIA relationship with OMB
- Dearth of travel funds. (U)

2. Following are some brief talking points for your use. I reference a more detailed discussion contained in your black briefing book where appropriate. (U)

Communications recapitalization (Tab J)

The Agency's current communications systems and equipments are largely products of the 1950's and early 60's. These were years of rapid growth in Agency activities and budgets and years of modest technological development. Information handling processes were manual and technical collection systems were in their infancy.

In the 1965-70 period, CIA programs were initiated for increased technical collection and ADP activity. Policy and priority reallocations through the 1970's resulted in OC budget and personnel reductions. The effect of these two trends has been a loss in system elasticity required to quickly meet new service needs.

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Agency Information Systems Architect (Tab D)

In 1979 the CIA Executive Committee created a five-person Task Force to address the perceived problems associated with information handling in the Agency.

Information handling is the systematic creation, movement, use, storage, retrieval, and disposal of intelligence and management information with the support of automated or other clearly identifiable processes and with due regard for control of sensitive and compartmented information.

The members of the Executive Committee were concerned that traditional institutions dealing with provision of information services were becoming less effective as new communications and ADP technologies evolve, demand for service grows, and Agency resources shrink. They perceived a need to reconcile demand and supply, develop a strategy for future investment, and assure appropriate institutions exist to execute the strategy.

The Task Force was charged with developing a strategic plan and with making recommendations for management and organizational change if warranted.

The Task Force submitted a final report in September 1980.

The Task Force recommended establishment of a central Agency planning function for information services. The Executive Committee agreed and approved positioning that function in the DDA. The DDA has recruited an officer to head the effort. He has been on board for some 5 weeks and is making excellent progress. (U)

New building on the Headquarters compound (Logistics Tab)

The CIA today occupies in part or in whole [] different building locations in the metropolitan Washington, D.C., area alone. In the next year, we will pursue the establishment of a Building Planning Staff whose purpose will be to begin a program of external building consolidation in new facilities on the Headquarters compound. Activities at [] buildings [] in Metropolitan Washington, D.C., would be consolidated on the Headquarters compound with resultant increased efficiency, productivity, security enhancement, and reductions in day-to-day operating costs. Funding for this planning activity has been denied, at the Agency level, for 2 years. (U)

Systematic declassification review provisions of E.O. 12065
(Tab I)

The program of systematic review for declassification mandated by Executive Order 12065 is a disaster. It is not cost effective; it siphons off valuable, scarce resources from CIA's primary mission; and it poses security risks. It should be abolished. The General Accounting Office has also recommended its abolition.

BACKGROUND: Section 3-4 of Executive Order 12065 requires the Executive Branch to review all "permanently valuable records" when they reach 20 years of age (30 years for foreign government information) to determine whether the records should remain classified.

Our best estimate indicates that we still have approximately 22,000 cubic feet of permanent records that must be reviewed by 1 December 1988 if we are to comply with E.O. 12065. We have [] people performing 25X1 the review. Because of the sensitive nature of our records, we must use mostly senior analysts with long years of experience. They are highly trained in their jobs and utilize procedures designed to maximize their production. In spite of this devotion of resources, we are able to review on an average only 640 cubic feet per year. Thus, by 1 December 1988, unless we more than triple our staff, we will accomplish less than 30 percent of our objective.

CIA's program for systematic review of classified material entails the following:

1. Dollar Costs: We will spend [] by 1988 under our current program and still not comply with E.O. 12065 [] 25X1 if we are to comply).
2. Human Resource Costs: [] people, mostly valuable, scarce senior analysts, spend full time reviewing classified documents under our current setup; over [] people would be required if 25X1 we are to comply with E.O. 12065. These people could and should be used to collect and produce intelligence.
3. Results of Review: On the average, 15 percent of the material reviewed is declassified. The declassified material that does eventually reach the public will be of little interest.

The General Accounting Office has concluded after a lengthy investigation that this program should be abolished Government wide. We should work with the White House to abolish the requirement, at least for the CIA. (U)

CIA relationship with OMB

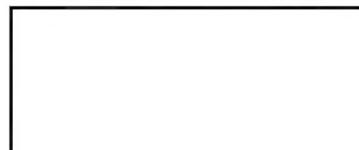
This Agency has a very poor working relationship with the Office of Management and Budget. For the past several years, I am told, the Agency relationship with OMB has been conducted at the OMB working

level. The CIA Comptroller deals with a GS-13 budget examiner. CIA evidently has not had a policy relationship with OMB. For whatever reason this has apparently resulted in very shabby handling of CIA resource needs. I am concerned enough about what I have been told so far that I think a more complete airing of the issue is appropriate. Somehow or other the CIA's relationship with the Resource Management Staff enters into the issue as well. (U)

Dearth of travel funds

My review of the Administration Directorate so far has convinced me that it has a very real travel funding problem. My people tell me that other CIA Directorates have the same problem. It stems from the fact that over the years administrative support functions, historically performed overseas, were pulled back to the U.S. as part of several balance of payment exercises. Subsequent to this locational transfer the travel budgets were reduced, making a difficult situation an impossible one. The DDA has evidently not been all that effective at telling its story to its budget examiners because the need for more travel funds cry out to me, just in my short time here. (U)

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25X1 C/MS: [redacted] kmg (18 Feb 81)

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